

**STATEMENT OF PROCEEDINGS FOR THE  
REGULAR MEETING OF THE  
CITY OF HUNTINGTON PARK OVERSIGHT BOARD**

**CITY OF HUNTINGTON PARK  
CITY COUNCIL CHAMBERS  
6550 MILES AVENUE  
HUNTINGTON PARK, CALIFORNIA, 90255**

**Wednesday, June 27, 2012**

**3:30 PM**

AUDIO LINK FOR THE ENTIRE MEETING. (12-3321)

**Attachments:**    [06-27-12 Huntington Park Audio](#)

**I. CALL TO ORDER**

**Chair Guerrero called the meeting to order at 3:49 p.m.**

**II. ROLL CALL**

**Present:**            Chair Elba Guerrero, Vice Chair Michelle Cervera,  
                         Board Members: Eduardo Adame, Yolanda Duarte, Richard  
                         Verches and Albert Fontanez  
**Absent:**            Luis Buendia

**III. ADMINISTRATIVE MATTERS**

- 1.**    Recommendation: Approve the Statement of Proceedings for June 7, 2012.  
                         (12-2889)

**On motion of Board Member Verches, seconded by Board Member Fontanez, this item was approved.**

**Ayes:**    6 -    Chair Guerrero, Vice Chair Cervera, Board Member  
                         Adame, Board Member Duarte, Board Member  
                         Verches and Board Member Fontanez  
**Absent:**    1 -    Board Member Buendia

**IV. DISCUSSION ITEMS**

2. Review and discuss the Successor Agency Administrative Budget and Project Delivery Costs for the January 1, 2013 to June 30, 2013 ROPS. (Continued from the meetings of 5-3-12, 5-17-12, 6-7-12 and 6-27-12) (12-1899)

**Jack Wong, Interim Community Development Director, introduced Mary Strenn, Interim City Manager, who provided a presentation on the City's financial status. Ms. Strenn stated the City Council adopted the budget with a \$4.3 million deficit, and that reserves are quickly dwindling.**

**She also stated that the City is working to reduce the deficit and will contact all vendors for possible contract renegotiations and scope of work reductions. She added that each City Department has submitted a confidential letter listing their priority cuts. Ms. Strenn responded to questions posed by the Board. She concluded by stating that the adopted budget does not include any anticipated revenue from disposed assets, but her office will put together a listing of the City's projected numbers ready for the Board's review by August 2012.**

**Fernanda Palacios, City Staff, provided an overview of the staff report detailing the Successor Agency's Administrative Schedule for periods of January 2012 to June 2012, and July 2012 to December 2012, along with a breakdown of salaries.**

**She added that at the May 17, 2012 meeting, Staff was requested to include Project Delivery Cost as part of the Administrative Budget and not as a line item on the Recognized Obligation Payment Schedule (ROPS). Ms. Palacios clarified that upon further review of the Department of Finance Guidelines, it is indicated that Project Delivery Cost, relating to specific projects such as the Carmelita Project and Middleton Project, are not viewed as Allowable Costs under Administrative Budget. Ms. Palacios requested that the Board allow the City to include the Carmelita Project and Middleton Project Delivery Cost's as a line item on the next ROPS.**

**In reviewing the Administrative Budget, Board Member Verches requested that the header be corrected to read: January –June 2012 Administrative Budget and July –August 2012 Administrative Budget.**

**Staff responded to questions posed by the Board. Board Member Verches asked for clarification on the increase in Retirement Costs on the July-December Administrative Budget. Elba Padilla, Finance Director, clarified that the 15% increase in Retirement Cost was due to changing rates each fiscal year and the rate can be increased or decreased each year depending on the actuarial.**

The Board voiced concerns with the amount listed on the Administrative Budget for the Successor Agency legal counsel relative to the low amount for the Oversight Board. Jack Wong, Interim Community Development Director, clarified that the increase in legal fees for the Successor Agency is due to an increase in activity and complexity and need for analysis of the ABX1 26 Trailer Bill. The Board expressed that the legal counsel budget be equal for the Successor Agency and the Oversight Board.

Vice Chair Cervera requested City Staff to provide further documentation and information on: (1) the amount that has been spent on Legal fees, (2) clarification on the existing relationship with Legal Counsel, and (3) copies of invoices stating what the billable hours are for, to be presented at next meeting for the Board's review.

Vice Chair Cervera and Board Member Verches requested clarification from City Staff as to whether the Successor Agency would have to approve the Oversight Boards revisions to the Administrative Budget; as their understanding is that it does not have to go back to the Successor Agency for approval. Mr. Wong state that he would have to speak with legal counsel and that the item was agendized for consideration and discussion only.

By Common Consent, there being no objection (Board Member Buendia being absent), this item was continued to Wednesday, July 18, 2012.

Attachments:    [Staff Report](#)

3. Review, discuss and consider potential candidates for Legal Counsel services for the Oversight Board. (12-1802)

Manuel Acosta, Housing and Community Development Manager, City of Huntington Park, provided an overview of the Staff Report, and the Request for Quotation (RFQ) process for obtaining Legal Counsel, stating that out of the 10 firms solicited, only three firms responded. Following discussion, the Oversight Board agreed the initial time frame was too short, and requested Staff to resend the RFQ to all firms on the original list, allowing 30 days for response.

By common consent, there being no objection (Board Member Buendia being absent), the Oversight Board continued this item for 30 days and requested the Successor Agency Staff resend the RFQ to potential legal firms on the original list previously submitted to Successor Agency and allow 30 days for the firms to respond.

4. Request the Successor Agency to provide documentation of all encumbered and unencumbered Low and Moderate Housing Funds, with the Successor Agency to incorporate these findings with the Administrative Budget and provide supporting documents, as requested by Vice Chair Cervera at the May 17, 2012 meeting. (Continued from the meetings of 5-3-12, 5-17-12, 6-7-12 and 6-27-12) (12-1897)

**Elba Padilla, Finance Director, City of Huntington Park, requested to the Oversight Board to continue this item to the next meeting.**

**By Common Consent, there being no objection (Board Member Buendia being absent), this item was continued to Wednesday, July 18, 2012.**

Attachments: [Staff Report for Agenda Item Nos. 3, 4, and 5](#)

5. Report by the Successor Agency on the sufficiency of cash flow. (Continued from the meetings of 5-3-12, 5-17-12 and 6-7-12) (12-1898)

**Elba Padilla, Finance Director, City of Huntington Park, requested to the Oversight Board to continue this item to the next meeting.**

**By Common Consent, there being no objection (Board Member Buendia being absent), this item was continued to Wednesday, July 18, 2012.**

6. Request the Successor Agency to remit unencumbered fund balances to the Los Angeles County Auditor-Controller for distribution to the taxing entities, including the unencumbered balances of Low and Moderate Income Housing Funds. (Continued from the meetings of 5-3-12, 5-17-12, 6-7-12 and 6-27-12) (12-1900)

**Elba Padilla, Finance Director, City of Huntington Park, requested to the Oversight Board to continue this item to the next meeting.**

**By Common Consent, there being no objection (Board Member Buendia being absent), this item was continued to Wednesday, July 18, 2012.**

7. Consideration of the next date, time and location of the regular meeting of the Oversight Board. (12-2893)

**By Common Consent, there being no objection (Board Member Buendia being absent), the Oversight Board scheduled the next regular meeting for Wednesday, July 18, 2012 at 3:30 p.m. in the City's Council Chambers.**

**V. MISCELLANEOUS**

8. Matters not on the posted agenda (to be presented and placed on the agenda of a future meeting). (12-2931)

**There were no matters presented for a future agenda.**

9. Public Comment. (12-2891)

**There was none.**

10. Adjournment. (12-2892)

**The meeting adjourned at 5:15 p.m. The next meeting of the Oversight Board is scheduled for Wednesday, July 18, 2012 at 3:30 p.m.**